

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6039
BILL NUMBER: SB 9

NOTE PREPARED: Oct 19, 2011
BILL AMENDED:

SUBJECT: Retailer Permits in Annexed Areas.

FIRST AUTHOR: Sen. Boots
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the Alcohol and Tobacco Commission to issue a three-way permit for the sale of alcoholic beverages to proprietors of restaurants and new restaurants if the restaurant or new restaurant: (1) is located in territory annexed by a city or town; (2) is located in an area that has been designated an area of economic development by the city or town; and (3) meets certain other requirements.

It allows a city or town to designate all or part of territory annexed by the city or town as an area of economic development if: (1) the legislative body of the city or town adopts an ordinance defining the boundaries of the area of economic development; and (2) the boundaries of the area of economic development are located more than one mile outside the corporate boundaries of the city or town as those corporate boundaries existed on the date preceding the effective date of the annexation. The bill also provides that the permits are not subject to the quota restrictions. It prohibits the permits from being transferred to another location.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* The permit changes in the bill will require the ATC to amend rules, forms, and computer software relating to the issuance of three-way permits. This bill will increase the number of cities or towns eligible to receive a three-way permit. If more three-way permits are issued, the increase in expenditures may be offset as more funds are deposited in the ATC's Enforcement and Administration Fund (EAF).

Explanation of State Revenues: *Three-way Permit Fees:* This bill could increase revenue collected from the issuance of three-way permits. The amount of the increase will ultimately depend on the number of establishments that meet the criteria outlined in the bill.

Three-way permits allow an establishment to sell beer, wine, and liquor. The fee for a three-way permit is \$1,000. The fees are initially deposited in the Excise Fund and then redistributed 37% to the state General Fund; 33% to the general funds of cities, towns, and counties based on population; and 30% to the EAF.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected: ATC.

Local Agencies Affected:

Information Sources:

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